

year as required by paragraph (b) (3) of § 280.4.

(b) *Amount and method of required reduction*—(1) *Quarterly voucher*. As required by paragraph (a) of this section, the amount payable on the ODS voucher for the last month of any quarter of the last calendar year is to be reduced by an amount determined by applying the table in paragraph (b)(3) of § 280.4 to the cumulative ODS payable.

(2) *Insufficient ODS payable*—(i) *Vouchers for subsequent months*. If the total amount of reduction required to be made pursuant to (b)(3) of § 280.4 or paragraph (b)(1) of this section or both, is greater than the amount of ODS payable on the ODS vouchers for the last month of the 1st, 2nd, or 3rd quarter of the last calendar year, the operator shall carry an amount equal to this excess forward to one or more of the months subsequent to such quarter of the last calendar year as a reduction in the ODS payable on the ODS voucher for any such subsequent months.

(ii) *Voucher in the final quarter*. If the amount of reduction required by paragraph (b)(1) of this section is greater than the amount of ODS payable on the ODS voucher for the last month of the final quarter of the last calendar year, the Maritime Administrator may apply an amount equal to this excess as a reduction of any outstanding ODS payable to the operator for the last calendar year or any preceding years.

(c) *Reporting requirements*. During the last year of the ODS agreement, the operator shall submit a report to the Secretary (two copies) and to the Region Director (one copy) for each quarter of the calendar year, providing for each such quarter on a cumulative basis for the calendar year, the information required by paragraph (a) of § 280.7. The reports required by this paragraph shall be submitted concurrently with the operator's vouchers for the 3rd, 6th, 9th and 12th months of the calendar year. Each report submitted pursuant to this paragraph is also subject to the other applicable requirements of § 280.7.

(d) *Cumulative quarterly accounting*. The calculations required under this section shall be made on the basis of the cumulative voyages terminated from the beginning of the calendar

year through the reported quarterly period.

(e) *Special procedures*. Whenever the Maritime Administrator, Department of Transportation determines that the provisions of this section may fail at any time to protect the interests of the Maritime Administration, the Maritime Administrator may take any measures necessary to ensure against an overpayment of ODS or to ensure the prompt repayment of any such overpayment.

#### § 280.10 Waiver.

The Board has the power to waive the requirements of any provision of this part for a specific period of time under special circumstances and for good cause shown.

#### § 280.11 Example of calculation and sample report.

(a) *Example of calculation*. The provisions of this part may be illustrated by the following example:

Company A operates several vessels engaged in carrying cargo, passengers and mail from the west coast of the United States outbound to foreign ports in the Far East, cargo between the foreign ports in the Far East, and cargo from foreign ports in the Far East inbound to the west coast of the United States. Company A's operation on this service is subsidized under an ODS agreement made in accordance with § 280.3. Total annual subsidy payable for Company A's service is \$1 million. In 1976 Company A's total gross revenue was \$10 million, computed as follows:

Outbound gross freight revenue .....	\$4,000,000
Inbound gross freight revenue .....	4,000,000
Wayport gross freight revenue .....	1,000,000
Miscellaneous gross revenue .....	1,000,000
<b>Total gross revenue .....</b>	<b>10,000,000</b>

Of the \$4 million outbound gross freight revenue \$1,600,000, or 40 percent, was earned from carriage of competitive cargo. Of the \$4 million inbound gross freight revenue \$1,200,000, or 30 percent, was earned from carriage of competitive cargo. Accordingly, total ODS payable to Company A for voyages terminated during the calendar year 1976 is reduced by \$240,000, from \$1 million to \$760,000, as follows:

OUTBOUND LEG OF SERVICE	
ODS payable .....	\$400,000

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(Outbound freight revenue, \$4 million, divided by total gross revenue, \$10 million, times total ODS payable for service, \$1 million.)		(Inbound freight revenue, \$4 million, divided by total gross revenue, \$10 million, times total ODS payable for service, \$1 million.)	
Percent reduction of ODS payable .....	20%	Percent reduction of ODS payable .....	40%
(40% carriage of competitive cargo requires 20% reduction in ODS payable.)		(30% carriage of competitive cargo requires 40% reduction in ODS payable.)	
Amount of reduction in ODS payable .....	\$80,000	Amount of reduction in ODS payable .....	\$160,000
(20% of \$400,000.)		Total amount of reduction in ODS payable .....	
		(\$80,000 plus \$160,000.)	
		Total ODS payable for service in 1976 (after reduction) .....	
		(\$1 million minus \$240,000.)	
INBOUND LEG OF SERVICE		\$760,000	
ODS payable .....		\$400,000	

(b) *Sample report.* Reports providing the information required by §§ 280.7 and 280.9 shall be made in the following form:

MA-819 (COMPANY)

Report of Revenues Earned for \_\_\_\_\_<sup>1</sup> Pursuant to 46 CFR Part 280  
Form Approval—OMB No. 41.R2954—15

	Trade Route No.		Trade Route No.		Trade Route No.	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
Outbound freight revenue:						
Military and Premium Rated Civilian .....						
Competitive .....						
Total Outbound Freight Revenue .....		100		100		100
Inbound freight revenue:						
Military and premium rated civilian .....						
Competitive .....						
Total inbound freight revenue .....		100		100		100
Wayport freight revenue .....						
Miscellaneous revenue .....						
Total gross revenue .....						

<sup>1</sup> Enter Calendar Year \_\_ or Cumulative Quarterly Period Ending \_\_ as applicable for the report being filed.

**PART 281—INFORMATION AND PROCEDURE REQUIRED UNDER LINER OPERATING-DIFFERENTIAL SUBSIDY AGREEMENTS**

Sec.

281.1 Information and procedure required under liner operating-differential subsidy agreements.

281.2 Definitions.

281.3 Method of commencing and terminating voyages and of determining idle status.

281.4 Treatment of subsidy during idle status and off-hire period.

281.5 Right of Maritime Administrator to recover subsidy for any period of idleness.

281.6 Interpretation.

AUTHORITY: Sec. 204, 49 Stat. 1987, as amended; 46 U.S.C. 1114. Interpret or apply sec. 606, 49 Stat. 2004, as amended; 46 U.S.C. 1176.

**§281.1 Information and procedure required under liner operating-differential subsidy agreements.**

In compliance with the terms of the operating-differential subsidy agreement, the following information shall be submitted to the Maritime Administration by each operator who is a party to any such agreement and operates liner type vessels pursuant to such agreement.

(a) *Sailing schedules, routes, etc.* (1) One copy of a list of sailings is required